

BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION

IN RE:	Ogreeta Luallen, et al)	
	Dist. 1, Map 19, Control Map 19, Parcel 94.01,)	Anderson County
	S.I. 000)	
	Farm Property)	
	Tax Year 2005)	

INITIAL DECISION AND ORDER

Statement of the Case

The subject property is presently valued as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$41,600	\$ -0-	\$41,600	\$10,400

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on April 26, 2006 in Clinton, Tennessee. In attendance at the hearing were Mack Maples; the appellant, and Anderson County Property Assessor, Vernon Long.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Subject property consists of an unimproved sixteen (16) acre tract located on Savage Road in Lake City, Tennessee. Subject property overlooks the Clinch River, but currently lacks any legal access. Due to its topography, only approximately 3-4 acres are suitable for a building site.

The taxpayer contended that subject property should be valued at \$25,000. In support of this position, the taxpayer testified that subject property is landlocked and it would not be economically feasible to sue the adjoining property owners for a right-of-way. The taxpayer asserted that subject property should be appraised at \$25,000 which represents the highest purchase offer received from an adjoining property owner. The taxpayer also maintained that subject property experiences a loss in value due to the noise from nearby I-75.

The assessor contended that subject property should be valued at \$41,600. In support of this position, the assessor essentially argued that the negative factors diminishing subject property's value have been accounted for by appraising the subject at significantly less per acre than otherwise comparable tracts.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."

After having reviewed all the evidence in the case, the administrative judge finds that the subject property should be valued at \$32,000 based upon the preponderance of the evidence.

The administrative judge finds that subject property unquestionably experiences a loss in value for the reasons stated by the taxpayer. Unfortunately, neither party introduced comparable sales or other evidence by which to reliably quantify the resulting loss in value.

The administrative judge finds that subject property has not been offered for sale on the open market. Consequently, the administrative judge finds that the \$25,000 offer from a neighbor at best establishes the lower limit of value rather than the upper limit of value. Indeed, the taxpayer obviously did not accept the offer.

The administrative judge finds the assessor has indeed tried to recognize that subject property experiences a loss in value due to the lack of access. However, a review of the property record card shows that subject property has been valued using a "B" location which essentially indicates better than average access. Thus, the administrative judge finds that the assessor's \$41,600 estimate of value reflects the upper limit of value.

Absent additional evidence, the administrative judge finds that subject property should be appraised in the middle of the indicated range rather than at either extreme. The administrative judge finds that the preponderance of the evidence supports adoption of a value of \$32,000.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2005:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$32,000	\$ -0-	\$32,000	\$8,000

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

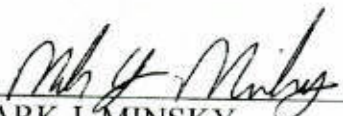
1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **"must be filed within thirty (30) days from the date the initial decision is sent."** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of

the State Board and that the appeal **"identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order"**; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 3rd day of May, 2006.



MARK J. MINSKY
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. Mack Maples
Vernon Long, Assessor of Property